

January 23, 2012

To: Members of the Senate Committee on Agriculture, Forestry, and Higher Education
From: Senator Glenn Grothman
Re: Senate Bill 370

I am testifying in favor of Senate Bill 370 which will allow the sale of R-134a, a non-ozone depleting Freon substitute which is used by people when their car air conditioners stop working due to a lack of refrigerant.

Wisconsin is the only state in the nation that does not allow people to go to their local auto repair store and get a simple kit to fix their air conditioner. This causes undue burden on Wisconsin's citizens because they must spend hundreds of dollars to go to a car repair shop if they would like air conditioning in the summer.

In 1990, the Clean Air Act mandated the end of production of ozone depleting substances including R-12, also known as Freon, which was used as a refrigerant in vehicle air conditioners. The State of Wisconsin followed the federal lead and banned the sale of R-12. However unlike the EPA or any other state in the United States, Wisconsin took the additional step of promulgating regulations that also prohibited the sale of R-134a in small containers. R-134a was designated by car companies as the replacement refrigerant for Freon since the use of R-134a would require a minimal change in vehicle air conditioning systems and it does not have an impact on the ozone.

It should be pointed out that a reason that DATCP banned R-134a 20 years ago was because they were afraid it would ruin the cars to combine it with R-12, which was in cars at that time. Since R-12 has not been in new cars since 1990 even this rationale is no longer valid.

The first benefit will be a small increase in Wisconsin sales tax revenue. People will be buying it in this state rather than smuggling it in from Illinois, Minnesota, etc. Second, there will no longer be people implementing unsafe air conditioning system substitutes, such as propane, which are highly explosive and dangerous. But, the major benefit in this tight economy is for do-it-yourselfers who will save hundreds of dollars if their air conditioning goes out.

Please support this pro-consumer, pro-small business legislation and strike a blow for freedom so that car owners this summer will once again have the ability to work on their own vehicle air conditioning system.

In summary this bill simply allows cans of R-134a to be sold in Wisconsin, as they are in all 49 other states. This will result in a mild increase in sales tax revenue for Wisconsin, will save owners of older cars a tremendous amount of money in car repair bills and may have a safety benefit as well.



JOE KNILANS

STATE REPRESENTATIVE • 44TH ASSEMBLY DISTRICT

- Thank you Chairman Schultz and other committee members for allowing me the opportunity to testify on SB-370. SB-370 will allow the sale of R-134a, a non-ozone depleting Freon substitute. This Freon substitute, is used in vehicle air conditioners when they stop working due a lack of refrigerant.
- This bill will allow R-134a to be sold in your local auto parts stores in cans, available to the public. Allowing R-134a to be sold to the public will save our Wisconsin residents hundreds of dollars. Many people that would purchase R-134a cannot afford to take their cars to a service center to re-charge their air conditioners.
- The part of ban on sales of small containers of R-134a was to prevent the mix of R-12 in the older vehicles with R-134a its replacement. This is not the case now, for the past 20 years R-134a has been used by vehicle manufactures for refrigerant.
- What is real funny is many protesters released a huge amount of R-134a in the Capitol. By blowing their air horns as noise makers they unknowingly sent R-134a into the air. When you clean off your computer key board you unknowingly release R-134a. My point is it is safe to be used by the do-it-yourselfers who are fixing their own cars.
- With the economic recovery going as slow as it has, not too many people can afford up to \$ 200.00 to service their car. As soon as SB-370 is signed into law they will be able to service their own car for around \$30.00.
- This is also important to me because my district is located near the state line. With the passage of SB-370 less of my constituents will have to cross over the state line and purchase R-134a, where I might add it is legal to purchase. Keeping more tax dollars in our state!
- Once again Wisconsin stands alone as the only state that does not allow R-134a to be sold in containers smaller than 15 pounds. This bill will bring Wisconsin up to par with the other 49 states and the EPA.

**TESTIMONY SUBMITTED
TO THE
SENATE COMMITTEE ON AGRICULTURE, FORESTRY, AND HIGHER EDUCATION
REGARDING
SENATE BILL 370, RELATING TO REGULATING CERTAIN SUBSTITUTES FOR OZONE-
DEPLETING REFRIGERANTS
January 23, 2012**

My name is Aaron Lowe and I am vice president for government affairs for the Automotive Aftermarket Industry Association. AAIA is a national trade association located outside of Washington, DC. AAIA is comprised of 23,000 members and affiliates which manufacture, distribute, sell and install automotive parts, accessories and chemicals. Many of our members package, distribute and sell automotive refrigerant in under 15 pound containers.

I am here to ask for this committee to support Senate Bill 370 introduced by Senator Grothman that would eliminate regulations in place in the State of Wisconsin that restrict the sale to consumers of automotive refrigerants. This outdated law is unnecessary and is sending business out of Wisconsin, negatively impacting our members businesses, consumers and state sales tax revenue.

In 1990, the Clean Air Act mandated the end of production of ozone depleting substances including R-12, also known as Freon, which was used as a refrigerant in vehicle air conditioners. The State of Wisconsin followed the federal lead and banned the sale of R-12, not only in large containers mostly used in professional service facilities, but also in under 15 pound containers that are often used by car owners to recharge their vehicle air conditioning system. This recharge is often necessary since nearly all vehicle air conditioners lose some of their charge over a long period of time. This may be particularly true in Wisconsin since the systems are idle for a longer period of time than in many states which results in a drying out of the seals.

However unlike the EPA or any other state in the U.S., Wisconsin took the additional step of promulgating regulations that also prohibited the sale of R-134a in small containers. R-134a was designated by car companies as the replacement refrigerant for Freon since use of R-134a would require a minimal change in vehicle air conditioning systems and it does not have an impact on the ozone. One of the major reasons that the Department of Agriculture and Consumer Protection extended the small can ban was concern that during the transition from R-12 to R-134a, car owners would attempt to add the R-134a into a vehicle that was using R-12, thus causing cross contamination and ruining the vehicle a/c system.

Nearly 20 years since the transition to a new refrigerant, there is no longer a need to have this outdated regulation on the books. Since many car owners

work on their own vehicle for economic reasons, forcing them to have their vehicle serviced at a professional is costing them nearly \$200 for a service they could do themselves for about \$30.

The reality is that many car owners, if they live near one of our borders, are going to other states to purchase 134a in small containers, costing Wisconsin businesses between \$6-9 million in sales and resulting in a loss of significant sales tax receipts that the state's treasury could sorely use.

In addition, some crafty do-it-yourselfers are using air horns or computer dusters which contain the same 134a, but are not banned from sale to consumers. Of even more concern is the fact that some car owners are likely using propane or butane which, while good refrigerants, are also very flammable.

I want to emphasize that Wisconsin is the only state in the U.S. that currently prohibits the sale or purchase of the refrigerant 134a in small containers. In fact, over the past several years, both California and the U.S. Environmental Protection Agency have looked at the possibility of restricting the sale, but have decided not to take such action based on the fact that the economic impact of such action would fall primarily on low-income families that could least afford to have the work performed by a professional. Further, such action was judged by California to have little to no environmental benefit.

I strongly urge your support for passage of SB 370, both for our member companies but also for the millions of car owners in our great State.



Tom Fonfara, Partner
10 East Doty St, Suite 500 • Madison, WI 53703
(o) 608 310 5323 • arrowheadstrategies.com
(c) 608 220 3644 • tom@arrowheadstrategies.com



Aaron Lowe
Vice President, Government Affairs

TEL 301.654.6664 DIRECT 240.333.1021
FAX 301.654.3299
aaron.lowe@aftermarket.org

www.aftermarket.org

7101 WISCONSIN AVE / SUITE 1300 / BETHESDA, MD 20814